

**FEDERATION OF EAST AFRICAN FREIGHT FORWARDERS ASSOCIATIONS**

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## Federation of East African Freight Forwarders Associations (FEAFFA)

### Quarterly Report on the USAID COMPETE grant

2<sup>nd</sup> Quarter, April– June 2012

**Vision:** To be a model professional Association in Freight

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### Section A. General Information

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| <b>Name of Organization:</b>           | Federation of East African Freight Forwarders Association (FEAFFA)             |
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| <b>Organization's Contact Person:</b>  | John K. Mathenge, Executive Director   |
| <b>P F Tracking Number:</b>            | FEA-STA-012-028  |
| <b>Title of Activity:</b>              | Building the Capacity of Clearing and Forwarding Agents in East Africa         |
| <b>Start Date of Reporting Period:</b> | 1 <sup>st</sup> April 2012   |
| <b>End Date of Report:</b>             | 30 <sup>th</sup> June 2012   |

## B. Overview

This report covers the grant activities implemented by the federation during the period April – June 2012. The activities mainly include training and institutional development with a focus on industry professionalism and institutional sustainability. Some of the activities are still in progress and will therefore continue to be reported on in the coming quarters. The report also shows the progress on the activities to be funded directly by COMPETE . During this quarter, FEAFFA held its general meeting and a new executive board elected.

| Pillar  | Activity and target   | Status and Comment  |
|---|---|---|
| Enhance compliance to laws and regulations by Clearing and forwarding agents and promote professionalism, business ethics while fighting corruption | To review the East African Customs and Freight Forwarding Practicing Certificate (EACFFPC) curriculum | Review of the EACFFPC curriculum was finalized by a team of experts in Kigali. The revised curriculum now is presented in a more professional way to aid delivery to the trainees. It is pending adoption by the Curriculum Implementation Committee (CIC) in the coming quarter before it can be deployed.   |
|   | To train and certify 400 freight forwarders   | EACFFPC training has been going on during the quarter. In total, 427 were in session during the quarter i.e. Kenya 170, Uganda 62, Tanzania 160 and Burundi 35. During this quarter, some of these students finalized the course in Kenya.<br><br>With support from TradeMark East Africa, National associations have mounted extra classes in order to meet the critical mass of at least two trained people per company by end of 2013.<br><br>More classes are expected to commence in Kenya, Rwanda and Uganda in the next quarter. |
|   | To hold the first EACFFPC graduation ceremony in Burundi  | 21 students (3 females and 18 males) graduated on the 18 <sup>th</sup> May 2012 in Bujumbura in a function that was attended by the Minister for EAC of Burundi and the Commissioner General of Burundi Revenue Authority and representatives of all the other FEAFFA affiliate national associations.  |
|   | Undertake a regional review of the implementation of the EACFFPC program                              | FEAFFA undertook a regional review of the progress made in the implementation of the EACFFPC training program. The team met with chairpersons of National associations, heads of revenue authority training institutes and customs officials. The review team was informed on the progress made per country towards achieving the critical mass, highlighted the challenges hindering the   |

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|  |  | <p>program and agreed on actions to move forward.</p> <p>The exercise was supported by TradeMark East Africa.</p>  |
|  | Accreditation and mainstreaming of the EACFFPC programme under EAC Directorate of Customs. | <p>FEAFFA held the second meeting with the EAC Directorate of Customs, Revenue Authorities of the EAC partner states to develop the mainstreaming framework for the EACFFPC programme. The meeting took place in April 2012 and produced the draft framework that was submitted to the EAC Secretariat.</p> <p>The revised EACFFPC curriculum will be submitted after it has been validated by CIC.</p>  |
|  | To popularize the FEAFFA Code of Conduct   | <p>FEAFFA utilized a number of partner events to raise awareness on the FEAFFA Code of Conduct among its members and stakeholders. this was done during:</p> <ul style="list-style-type: none"> <li>• The Corridor Performance Monitoring workshop by the World Bank.</li> <li>• The Border Procedures Manual validation workshop for Tanzania.</li> <li>• The border assessment at Namanga by USAID COMPETE. This also doubled as a formal unveiling of the instrument and attracted participation of Revenue Authorities, the National Associations and the FEAFFA board.</li> </ul> <p>Copies of the Code of Conduct and other information materials were distributed.</p> <p>More activities have been planned to launch the same in all other EAC countries at key border points and is awaiting approval from COMPETE.</p> |
|  | Develop border clearance manuals for the key borders in the EAC Region.                    | <p>Development of the scope of work for this activity was concluded and is awaiting action by COMPETE.</p> <p>The delay was occasioned by the need to take on board outputs from related ongoing activities in the region on harmonization of cargo clearance procedures.</p>  |

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| Institutional Support | Staff recruitment  | During this quarter, FEAFFA strengthened her secretariat by bringing three staff on board. These include the accountant who replaced the former accountant in April 2012, and the Information Technology Officer who started work in June 2012. The recruitment process of the Transport Economist was finalized in June and suitable candidate identified. He is expected to start work at the start of July 2012.  |
|                       | To develop organizational policy manuals for FEAFFA            | <p>As a step towards strengthening its institutional capacity, the Federation developed organizational policy manuals to guide the daily operations at the secretariat and the entire federation. The policies were adopted by the new board at its last meeting on June 14<sup>th</sup> 2012 and are now operational. An implementation plan has been developed to help FEAFFA in tracking progress in the implementation of the manuals.</p> <p>The policy manuals include: Human Resource, Procurement, Accounting, Communications, Data Back-up and Code of Ethics (Leadership Code) policies and procedure manuals.</p> |
|                       | To procure office equipment and services                       | FEAFFA acquired three new laptop computers, two printers, accounting software and renewed the staff medical insurance with Resolution Health East Africa. Procurement of office furniture started is expected to be completed in the coming quarter.   |
|                       | Produce the second quarter edition of the FEAFFA e news letter | FEAFFA has finalized work on the second quarter edition of its e newsletter but its release has been affected by a technical challenge on her website. The newsletter will be circulated to all industry stakeholders in the region as soon as the website is up running. This edition contains information on key developments within the Federation especially training activities, the general assembly and the industry as a whole.  |
|                       | To carry out financial audit for the year 2011                 | PKF successfully completed audited FEAFFA's books of accounts for the financial year 2011. The accounts were presented to the FEAFFA executive board and adopted. The exercise was funded under the grant.   |

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|   | Organize a meeting of the FEAFFA Executive board  | <p>The new FEAFFA Board held its first meeting on 14<sup>th</sup> June 2012 in Nairobi. The meeting discussed key governance and strategic issues. The Board:</p> <ul style="list-style-type: none"> <li>• Approved the recently developed organizational policy manuals.</li> <li>• Established the various sub-committees that will assist the Board in discharging its mandate</li> <li>• Developed its calendar of events for the remaining part of the year among them a strategic retreat and corporate governance training.</li> </ul> |
|   | Hold the FEAFFA general meeting   | <p>FEAFFA held its general assembly for the year 2012 at Hotel Club Du Lac Tanganyika in Bujumbura on 18<sup>th</sup> May 2012. The meeting was attended by representatives of all the national associations affiliated to FEAFFA. The general meeting elected a new Executive Board and addressed governance issues within some of the national associations. The new Board was also inaugurated in a colorful handover ceremony witnessed by the commissioner general of Burundi Revenue Authority</p>                                      |
| Enhance FEAFFA's revenue base for self sustainability | To publish the first East African Freight Forwarders directory  | <p>FEAFFA published the first edition of the East African Freight Forwarders Directory. The Directory is a one-stop source of information on clearing and freight forwarding operators in the region. The project is expected to generate revenue towards the sustainability of the Federation in due course.</p> <p>The federation started work on the next edition with consultations with the prospective marketing consultant underway. The next edition is expected to be more successful having learnt from the first.</p>              |
| Sharpen FEAFFA's advocacy capacity                    | Develop industry position papers on the key issues affecting the freight logistics industry in the EAC. | <p>FEAFFA developed and submitted the concept notes to USAID COMPETE on</p> <ul style="list-style-type: none"> <li>• The proposed study on the implications of the single customs territory in East Africa and is awaiting feedback from COMPETE.</li> <li>• Customs Warehouse rent</li> </ul>  |

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|  |   | <ul style="list-style-type: none"> <li>• Mutual recognition of Customs agent licenses</li> <li>• Self regulation of Customs agents</li> </ul> <p>FEAFFA developed the scope of work for this activity and submitted them to the COMPETE Transit Team for engagement of consultants.</p>   |
|  | Participate in International Leadership Exchange programme focusing on freight forwarding in the USA. | FEAFFA participated in a three-week exchange programme focusing on freight forwarding in the USA. The Federation was represented by the outgoing President and the Executive Director. The programme provided useful insight/lessons on the transport logistics industry of USA. There was focus on various modes of transport (rail, air and water), border clearance of cargo, Customs clearance, freight forwarding operations, warehousing, axle load management etc. The lessons will be shared with the industry through FEAFFA Website and the newsletter. In addition, FEAFFA will explore possibility of domesticating some of the lessons/best practices learnt within the EAC Region.              |
|  | To participate in an African Rail Conference in South Africa  | <p>FEAFFA participated in a bi-annual Africa Rail Conference on 26<sup>th</sup>-29<sup>th</sup> June 2012, in South Africa with the theme <b><i>‘providing efficient rail transport and port services to facilitate trade’</i></b>. FEAFFA was a speaker at the conference on developing logistics hubs and expectation of users of the rail and port services.</p> <p>The conference came up with various funding options for improving rail transport services in Africa, Recommendations on how to better rail and port services, the importance of integration of the various modes of transport in providing workable transport solutions and the complementation of the various modes of transport.</p> |